(a) whether Government propose to modernise the country's tax administration system;

(b) if so, the details thereof;

(c) the details of bottlenecks found in the existing tax system; and

(d) to what extent the modernisation of tax administration system is going to boost tax revenue and to unearth tax evaders?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) to (c) Matters relating to rationalisation and modernisation of tax laws and their administration were considered by the Tax Reforms Committee set up under the chairmanship of Dr. Raja J. Chelliah. Recommendations made by the Committee on technical matters in so far as they were considered to be acceptable have been implemented through the Finance Acts, 1992, 1993 and 1994.

(d) It is expected that moderation in rates of tax, simplicity of the tax laws and strict but fair enforcement will go a long way in further increasing collection as also in discouraging tax evasion.

Income-Tax raids in Madhya Pradesh

3401. SHRI GHUFRAN AZAMI: Will the Minister of FINANCE be pleased to state:

(a) whether the Income tax Department conducted raids at various business establishments in Madhya Pradesh during the last one year.

(b) if so, the details thereof;

(c) whether Government have awarded any punishment to the involved tax evaders; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) and (b) Yes, Sir. During the financial year 1994-95, 58 search warrants were executed in the State of Madhya Pradesh resulting in seizure of unaccounted assets worth Rs. 1579.92 lakh and disclosure of Rs. 1168.05 lakh.

(c) and (d) Punitive measures including penalty and prosecution can be considered only after finalisation of regular assessment proceedings which are in progress.

Report of Fifth Pay Commission

3402. PROF. VIJAY KUMAR MALHOTRA: Will the Minister of FINANCE be pleased to state:

(a) whether persistent demand has been made by Government servants for the Vth Pay Commission to render its report before April, 1995;

(b) if so, the reaction of Government thereto; and

(c) the number of demands received by the Commission in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) and (c) The Fifth Central Pay Commission has received requests from some Unions/Associations of Central Government employees for submission of its Report by the end of April, 1995. The Pay Commission have indicated that it is not possible to state the exact number of demands received in this regard.

(b) In accordance with the Terms of Reference, the Commission will make its recommendations as soon as feasible.

Report of Malhotra Committee

3403. SHRI DIPANKAR MUKHERJEE: Will the Minister of FINANCE be pleased to state:

The response of Government on the All party unanimous resolution adopted by the West Bengal State Assembly disapproving the recommendations of the Malhotra Committee report on insurance sector reforms?